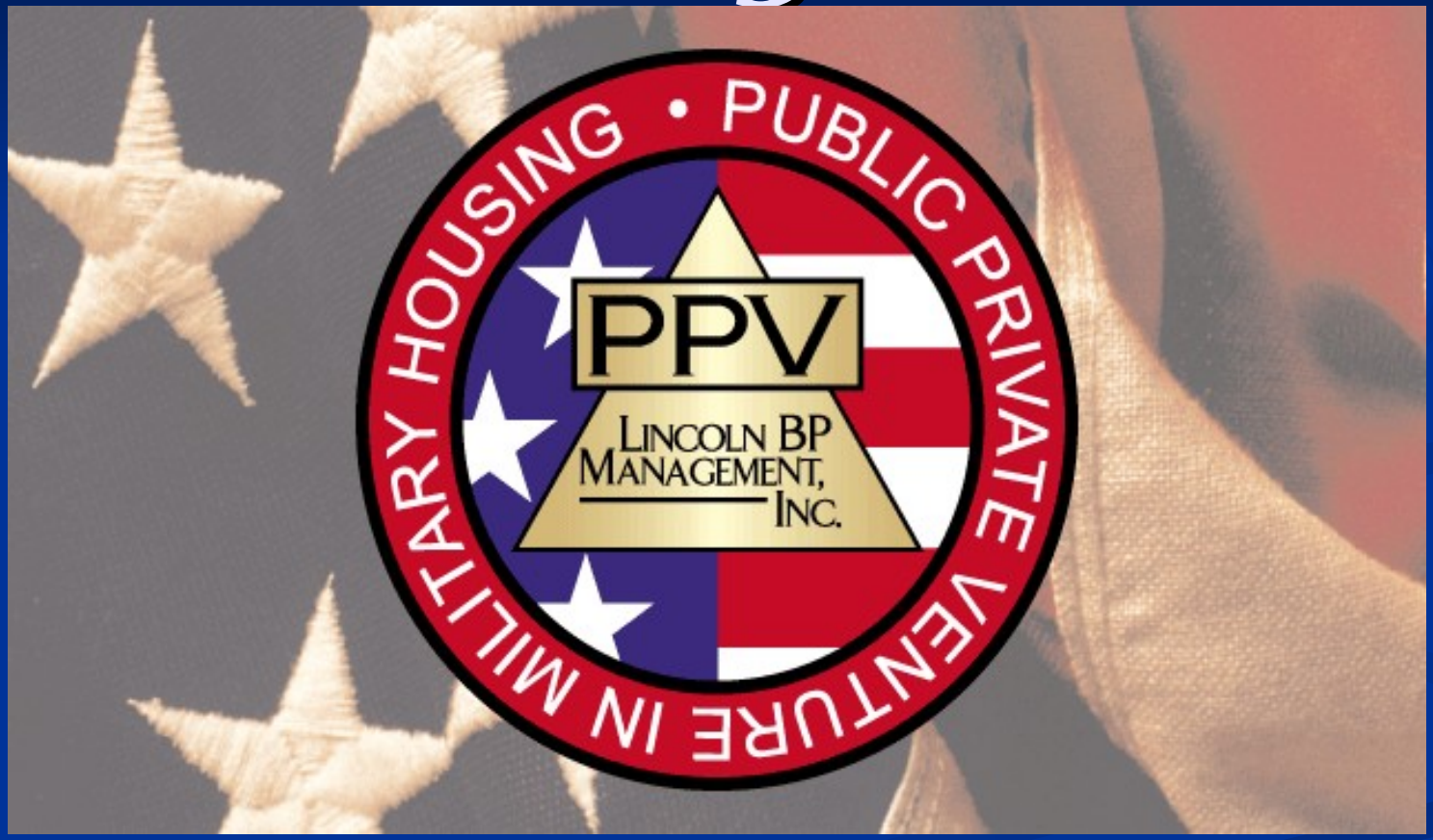
Our Experience in San Diego



PHMA – Denver 2004

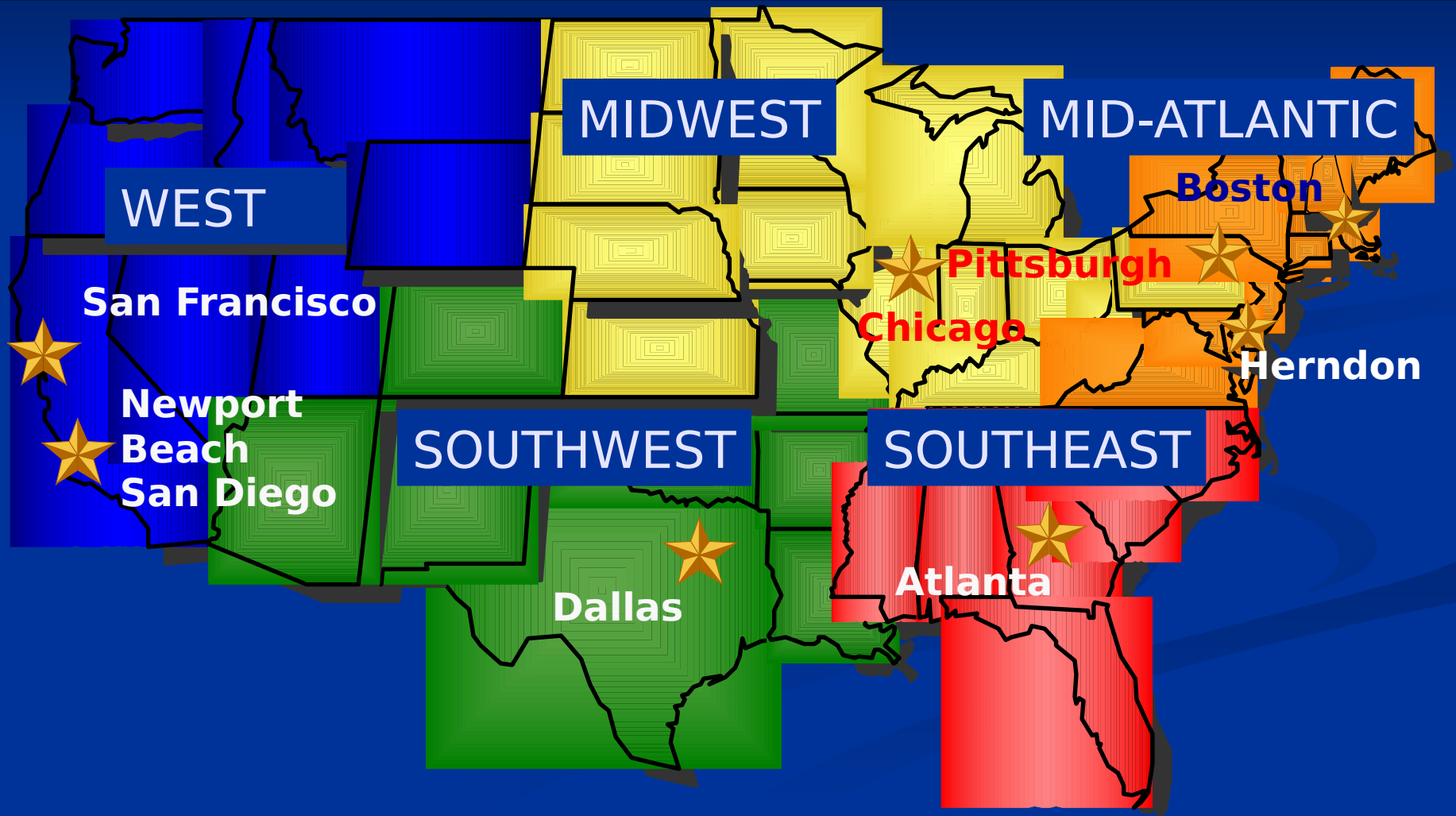
The Private Partner

- Lincoln Clark
- Lincoln Property Company
- Clark Realty Capital

Lincoln Property Compan

Built on 38 years of "service to our residents"!

Lincoln Operating Regions



NC San Diego Phase I

- Start 2,660
- Build 1,400
- Demo 812
- Total 3,248

NC San Diego Phase II

- Start 3,298
- Build 460
- Demo 545
- Renovate 1,068
- Total 3,217

Changing this to…

This!!

Community Services San Diego

- On-Site Management Staff to Meet the Residents
- 24-Hour Emergency Maintenance
- Crime Watch Meetings
- Resident Internet Access
- Deployed Spouse Program
- Homecoming Events
- PPV Kids Crew Summer Camp and Teen Activities

* *Zero Out-of-Pocket Expense to the Service Members*

reparation for Transitio

THIS WILL DIFFER FROM DEAL TO DEAL!!

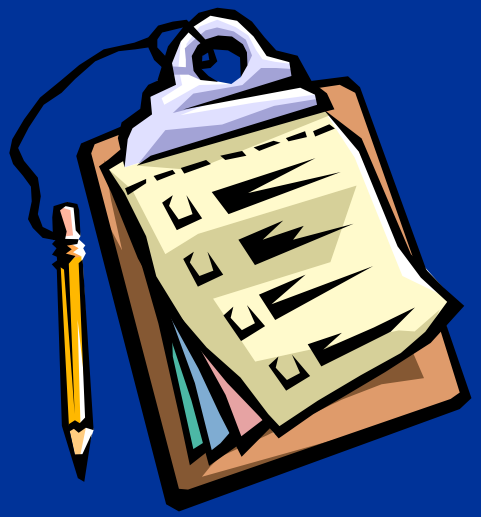
- Due Diligence Evaluation is limited compared to a Private Sector Deal-no financial history!
- Due Diligence Unit Inspections may be limited
- Coordinate Maintenance responsibility from Navy to PPV
- Landscape, Trash Removal, Pest Control Services
- Landscape and Common Area Plan-What's yours?
- Change of Occupancy Maintenance
- Resident Service Requests
- Utilities-no assumptions!

reparation for Transitio

THIS WILL DIFFER FROM DEAL TO DEAL!!

- **Management Office Locations- all new!**
- **Need Access early to set up for Day One**
- **Any Personal Property Transferred?**
- **Phones?IT Wiring? Network, Cat 5, etc.**
- **Staffing for Success- Gov’t Applicants?**
- **Post Closing-House Access: Keys & Appointments vs. Permission-To-Enter**

ther Issues to Conside



- Utilities- depends on infrastructure: where the system is military and where connected to private/ municipal…if at all.
- Taxes- Military does not pay Real Estate Taxes, Privatized Housing may pay
- Insurance- Military was self-insured
- Renter's Insurance- a requirement?
- Service contracts: Vending Machines, Laundry Equipment, Cable Television
- Self- Help Operations terminated?

ommon Area Building

- Private Sector property boundaries vs. government land
- What is included and what will be operating expense
- The Chapel and Popeye's Fried Chicken!
- MWR Child Care Building
- Environmental issues- asbestos, lead based paint, sensitive areas

Resident Issues

Existing Residents converting to Privatized

- Resident Briefings, Commands, etc.
- Obtain Resident Data Files (Rent Roll)
- What was in their original Move In Packet? What will CHANGE?
- Lease Agreement & Community Policies- distributed, signed and returned
- Welcome Letter with instructions for Service Requests and Contacts
- Prepare for BAH/ Rent Collection

Resident Relations

- Organize Community Service Programs
- Survey Military Families thoroughly and regularly
- Focus Groups
- Resident Functions
- Listen to their Needs!

Military Partner

- **Think : Partnership NOT a Contractor ; we can succeed together!**
- **Think : Align our Objectives, then move ahead!**
- **Existing Navy Housing Expertise is a Resource! Let’s tap into it!**
- **The Counselors are Dedicated, Caring Staff that know the residents!**

Why Does LPC Like PPV

- Joint Venture Consistent with Core Business Model
- Long Term Partnership
- PPV is Resilient to Market Fluctuations
- Rent Collection Issues Improving
- Opportunity to Help Our Military Members

Lessons Learned

- **Utilities- research source, what and where are maintenance responsibility points, billing cost & cycle, budgets**
- **Historic Property- Be sure you know what you are getting..bldg and land!**
- **Understand the Existing Pet Policies!**

eview the Pet Policies

"You didn't give me a chance to elaborate, friend. ... Mitsy doesn't bite, but man, can she *kick!*"

Suggestions

- Consider a Uniform Resident Military Lease Form and Regulations for all sites
- Consider Consistent Swimming Pool/ Lifeguard Policies for all sites
- Consider PPV Employees on-base Identification Cards and Exchange Privileges
- Investigate improved data transfers to the Partner- helps families and prepares for reduced government personnel in Housing
- Scoring- A real issue but let's don't let it drive the ship!

Communication with Everyone!!

- Residents before, during and after Transition!
- Base Leadership and be sure they are “On Board!”
- Senior Enlisted are a key!
- Military Housing Office- Inform them as much as the residents and LISTEN TO THEM! Offer to conduct a Q & A Meeting with the counselors!
- Base Resident Program Stakeholders- MWR, Chaplin, Fleet & Family Service, Etc
- Off base also, such as the local School District Superintendent’s Office

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Development Issues

- Design Charrettes
- Partnering Session (Early and Often)
- Pre-Closing Coordination of Phasing Plan with Housing Office
- Utilities: To Privatize or Not to Privatize – That is the Question!

Design Charrettes

- Ensure that all stakeholders have a role in determining the final design
- Installation Leadership is critical to “military” buy-in
- Make sure that the military members’ spouses are part of the decision-making process

Partnering Sessions

- Ensure alignment of interests between partners
- Establish project priorities
- Ensures accountability
- Establish process for resolving conflicts or impasses
- Two 2-day sessions each year will save two months of non-productive activities per year

Phasing Plans

- Phasing Plans are like three dimensional chess games
- Sometimes the Housing Office's "help" is not help at all – remember, Phasing Plans are complicated and do not assume that your logic is readily apparent to other team members
- Homes that are schedule for demolition in 18 months still generate rent for 18 months!

Utilities

- If the utilities have not been privatized, give the private partner the opportunity to leverage their expertise – let the private partner lead the way
- Developers and Facilities Personnel speak different languages – make sure that utilities and infrastructure issues are at the top of the discussion list
- Pretty houses don’t work if they do not have water, sewer, gas and electricity

Always Remember Why We Are Doing What We Are Doing:

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